

February 8, 2022

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>x</b>

Department of Revenue  
Analysis of H.F. 3104 (Lislegard) / S.F. 2936 (Dahms)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>
	(000's)			
General Fund	(negl.)	(\$30)	(\$30)	(\$30)
Natural Resources and Arts Funds	(negl.)	(negl.)	(negl.)	(negl.)
Total – All Funds	(negl.)	(\$30)	(\$30)	(\$30)

Effective for sales and purchases the day following final enactment.

**EXPLANATION OF THE BILL**

**Current Law:** Sales by a county agricultural society, including admissions, parking, admissions to separately ticketed events, concessions sales, and other sales made by employees or volunteers of the county agricultural society during a regularly scheduled county fair are exempt from the sales tax. The exemption is limited to sales or events by a county agricultural society that occur during a scheduled county fair and on the county fairgrounds.

**Proposed Law:** The bill would expand the sales and use tax exemption to any presales of parking, admissions, or ticketed events that are part of the regularly scheduled county fair.

**REVENUE ANALYSIS DETAIL**

- Attendance at the 93 county fairs in Minnesota was approximately 2.6 million in 2018.
- The Minnesota Department of Agriculture reports \$22.1 million of income for county agricultural societies in calendar year 2018. The total sales tax collected by Minnesota county agricultural societies is estimated to be \$1.5 million.
- It is estimated that 2% of total sales are advance sales for parking, admissions, and events.
- A growth rate of 2% is assumed based on the consumer price index for urban consumers.
- The fiscal year 2022 estimates are adjusted for the effective date.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>